

EXHIBIT “K”

APPRAISAL REPORT
of
1865 Burnett Street
3001 Avenue R
3004 Avenue R
Brooklyn, New York

SUBMITTED TO

Hoti Enterprises L.P.
c/o Reich & Reich & Reich, P.C.
235 Main Street, Suite 450
White Plains, New York 10601





APPRAISERS AND PLANNERS INC

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December 4, 2008

Hoti Enterprises L.P.
c/o Reich & Reich & Reich, P.C.
235 Main Street, Suite 450
White Plains, New York 10601

Attention: Larry Reich, Esq.

**Re: 1865 Burnett Street (Block 8472, Lot 1)
3001 Avenue R (Block 6816, Lot 33)
3004 Avenue R (Block 6841, Lot 1)
Brooklyn, New York**

Ladies and Gentlemen:

In accordance with your request, we have prepared an appraisal report of the above-captioned properties, hereinafter referred to as the "subject properties". The report has been prepared in summary format in accordance with the Uniform Standards of Professional Appraisal Practice and Code of Ethics of the Appraisal Institute.

The "subject properties" is identified on the City of New York Tax Assessor's Map in the Borough of Brooklyn as Block 8472, Lot 1, Block 6816, Lot 33 and Block 6841, Lot 1.

Block 8472, Lot 1 is located on the northerly blockfront of Fillmore Avenue between Burnett Street and Madison Place in the Borough of Brooklyn, County of Kings, Neighborhood of Marine Park, City and State of New York. The property consists of an irregular shaped parcel which measures approximately 56,000 square feet. The site is situated within the confines of a zoning district designated as a R4, General Residence District.

The subject parcel is improved with a two-story walkup apartment building constructed in 1950, containing fifty two (52) apartments and twenty four (24) detached car garages in four buildings. Gross building area measures approximately 37,940 square feet according to the records of the City of New York.

Block 6816, Lot 33 is located on the northeasterly corner of Avenue R and Stuart Street in the Borough of Brooklyn, County of Kings, Neighborhood of Marine Park, City and State of New York. The property consists of a square shaped parcel which measures approximately 10,000 square feet. The site is situated within the confines of a zoning district designated as a R3-2, General Residence District.

The subject parcel is improved with a two-story walkup apartment building constructed in 1950 containing eight (8) apartments with a seven (7) car garage. Gross building area measures approximately 1,470 square feet according to the records of the City of New York.

Block 6841, Lot 1 is located on the westerly blockfront of Burnett Street between Avenue R and Fillmore Avenue in the Borough of Brooklyn, County of Kings, Neighborhood of Marine Park, City and State of New York. The property consists of an irregular shaped parcel which measures approximately 92,600 square feet. The site is situated within the confines of a zoning district designated as a R4, General Residence District.

The subject parcel is improved with a two-story walkup apartment building constructed in 1950, containing eighty four (84) apartments, twenty four (24) detached car garages in four buildings and a parking lot with a car capacity of thirty one (31) spaces. Gross building area measures approximately 67,464 square feet according to the records of the City of New York.

Records indicate ownership of the subject properties is held by Hoti Enterprises L.P.

The purpose of the appraisal is to render an opinion of the market value of the leased fee interest in the subject properties.

Market value is defined as the most probable price as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after a reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest and assuming neither is under undue duress.

The function of the appraisal shall be used for internal purposes.

The interest appraised is the leased fee interest.

The effective appraisal date is December 3, 2008, the date of inspection.

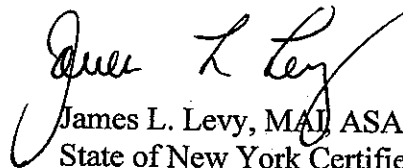
The following report sets forth all available data and methodology utilized in arriving at our value conclusion and should be read in its entirety.

The appraisal is subject to the Underlying Assumptions and Contingent Conditions set forth on the following pages.

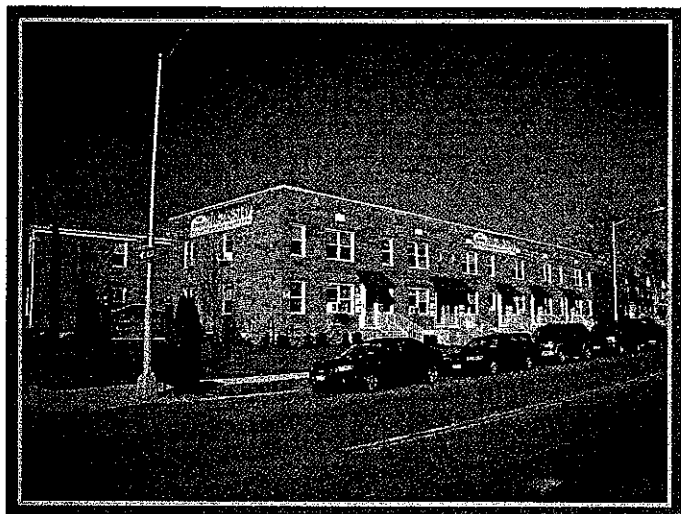
After an analysis of the relevant data and based upon the documentation presented within the following report and maintained in our files, it is our opinion that the market value of the leased fee interest in the subject property, as of December 3, 2008, is:

FOURTEEN MILLION FOUR HUNDRED FIFTY THOUSAND (\$14,450,000) DOLLARS

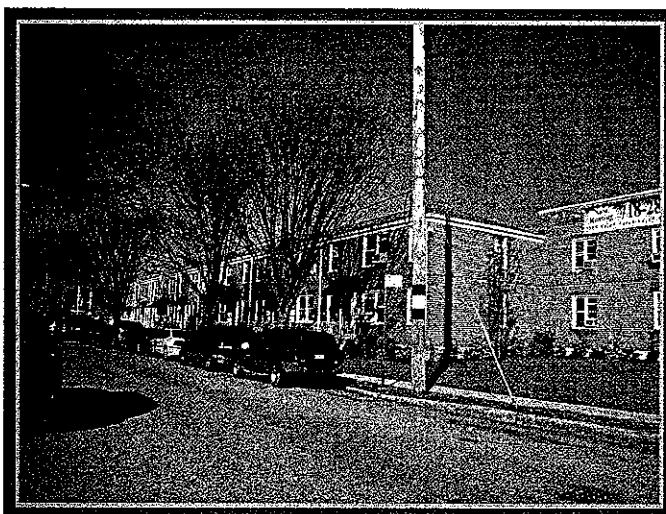
Respectfully submitted,



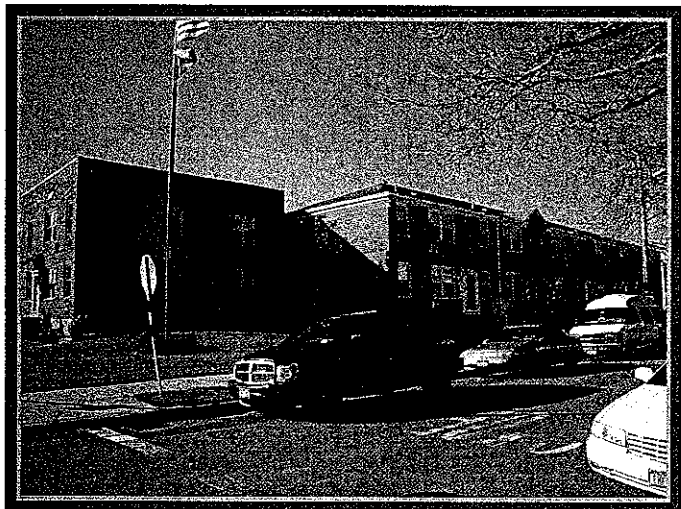
James L. Levy, MAI, ASA, MRICS
State of New York Certified General Appraiser
I.D. #46000005134



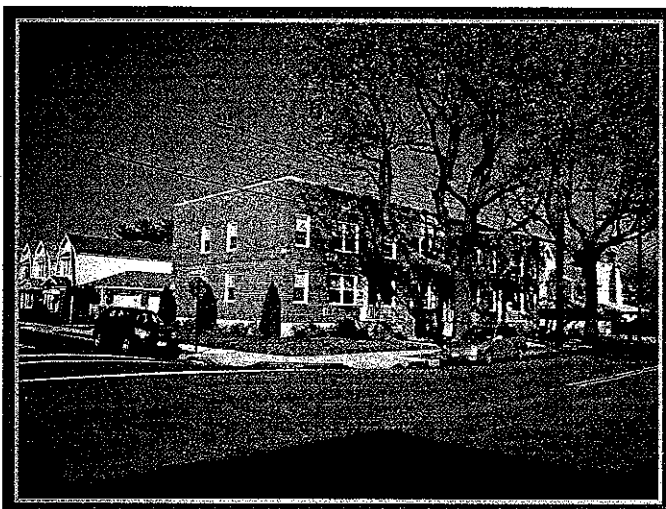
1865 Burnett Street (Facing Fillmore Avenue)



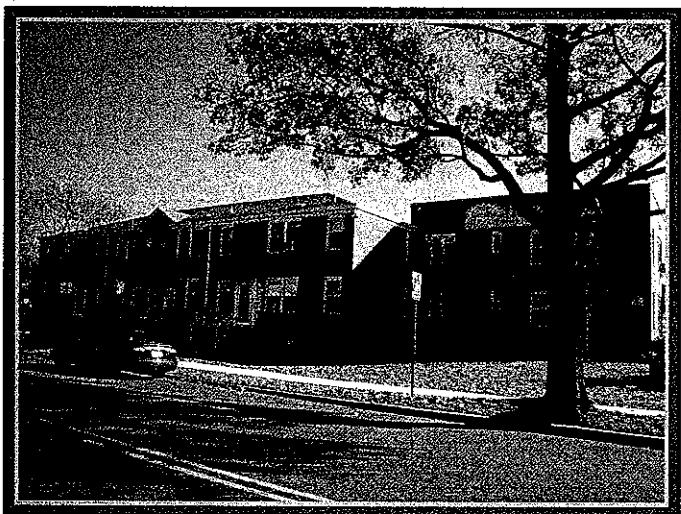
1865 Burnett Street (Facing Burnett Street)



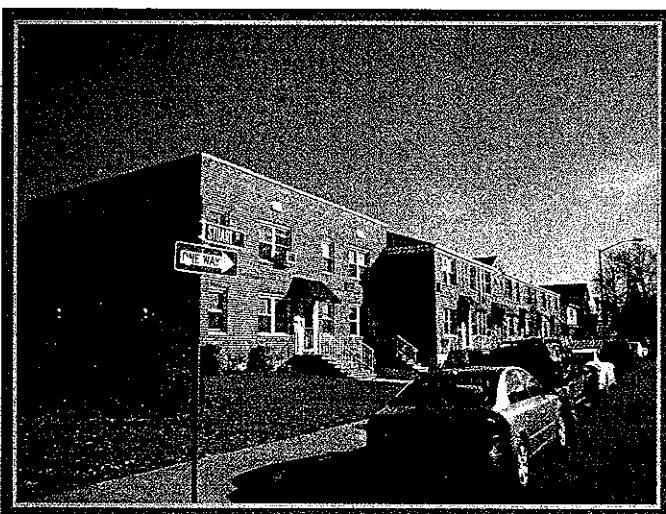
1865 Burnett Street (Facing Madison Place)



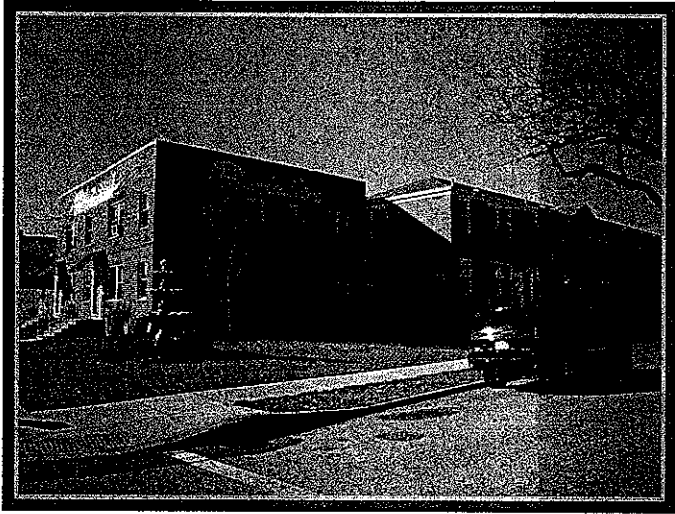
3001 Avenue R



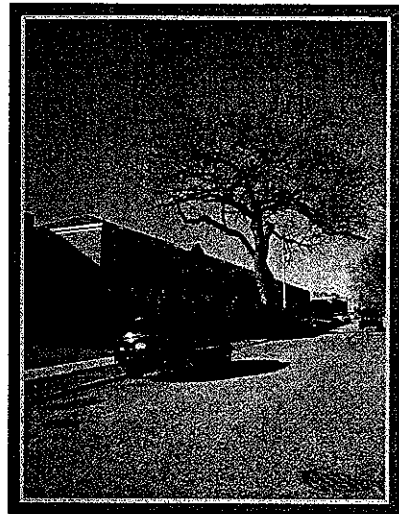
3004 Avenue R (Facing Avenue R)



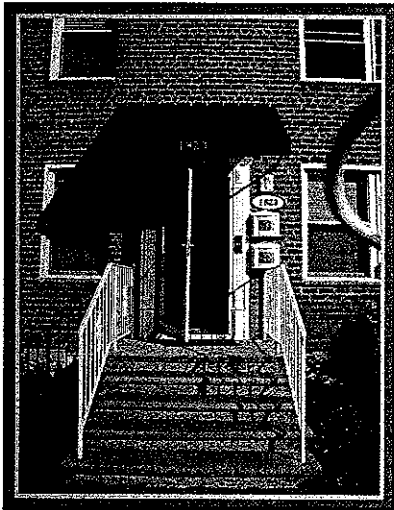
3004 Avenue R (Facing Stuart Street)



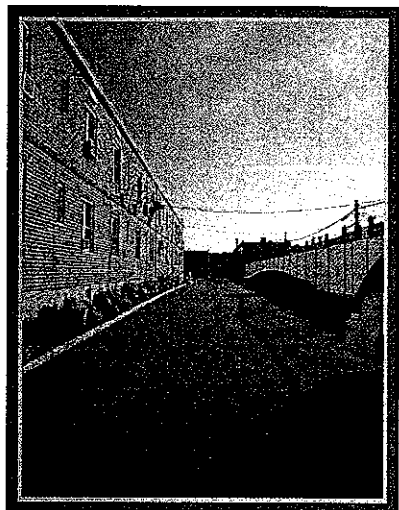
3004 Avenue R (Corner of Fillmore and Burnett Street)



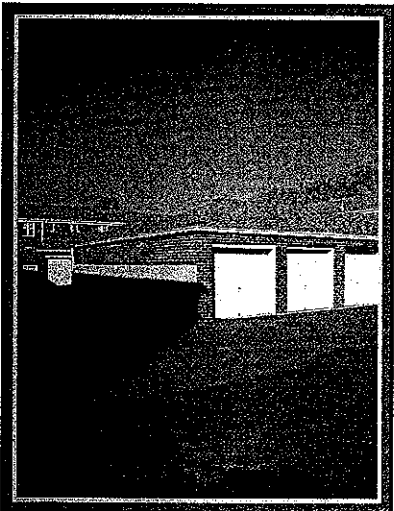
3004 Avenue R (Facing Burnett Street)



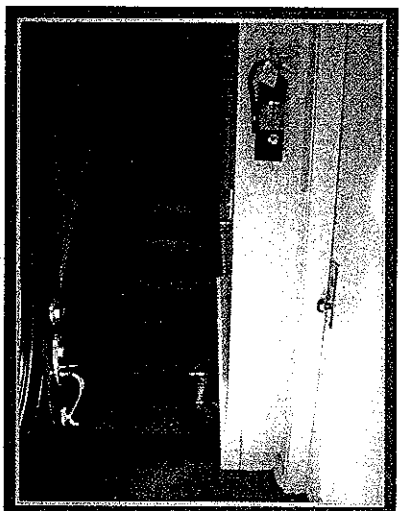
Typical Entrance



Parking Lot at 3004 Avenue R



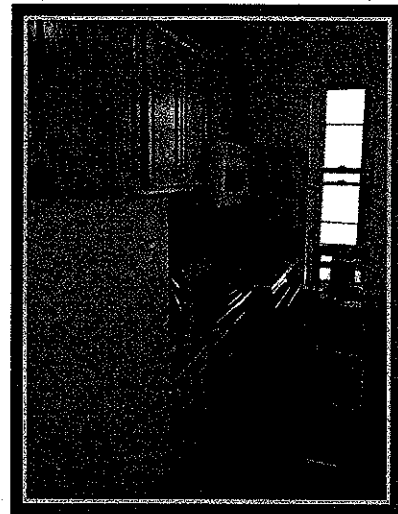
Typical Garage



Typical Foyer and Stairway



Typical Bathroom



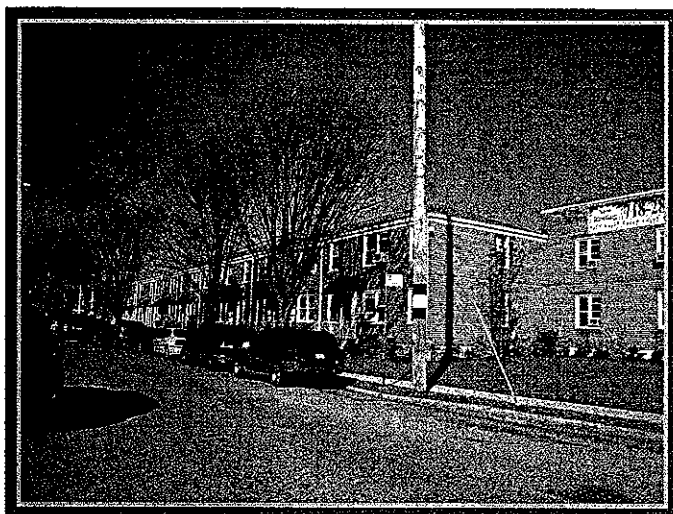
Typical Kitchen



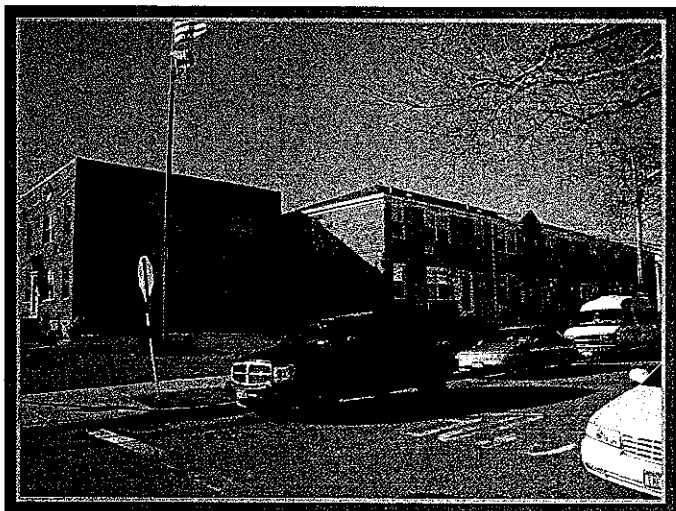
Typical Laundry Area



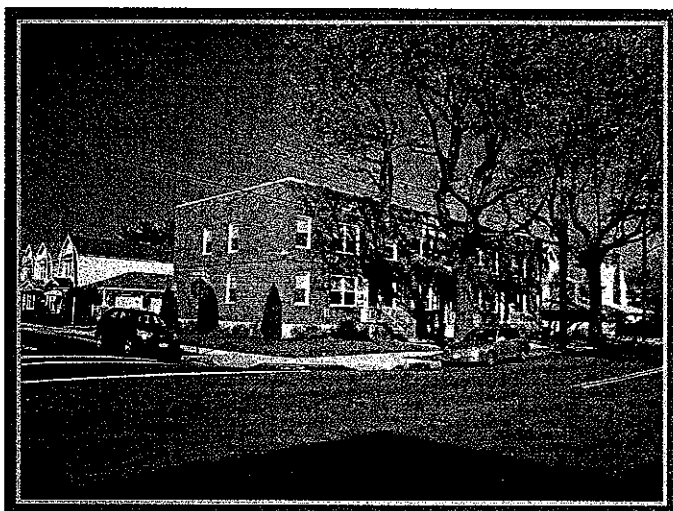
1865 Burnett Street (Facing Fillmore Avenue)



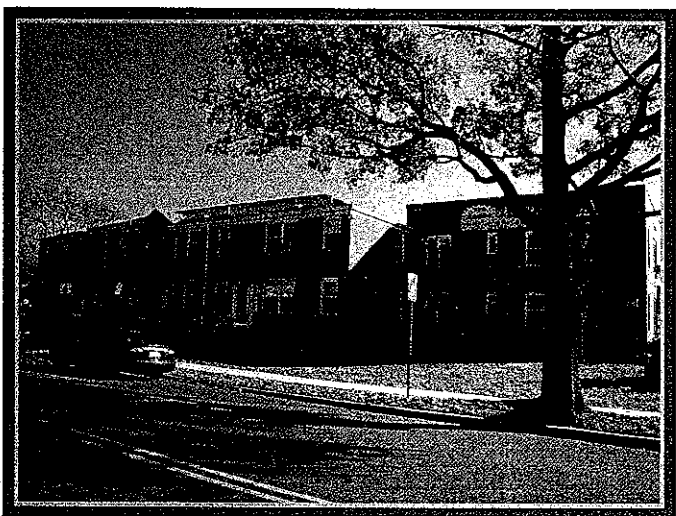
1865 Burnett Street (Facing Burnett Street)



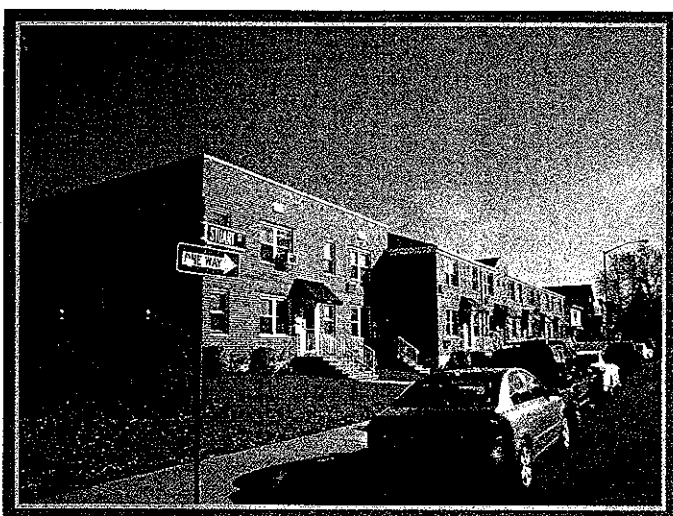
1865 Burnett Street (Facing Madison Place)



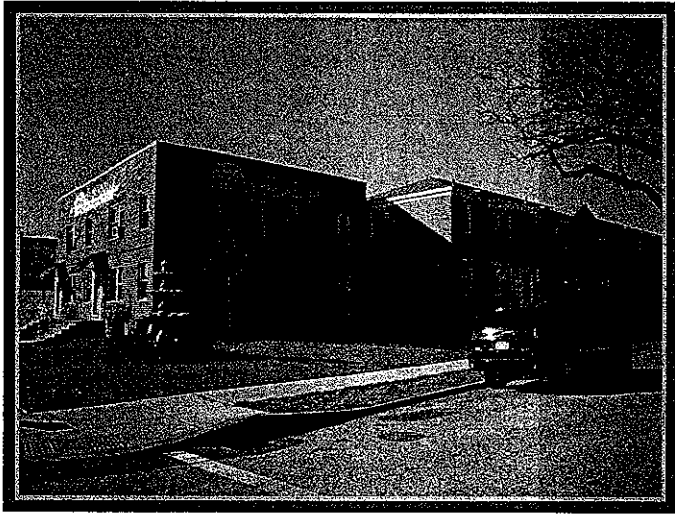
3001 Avenue R



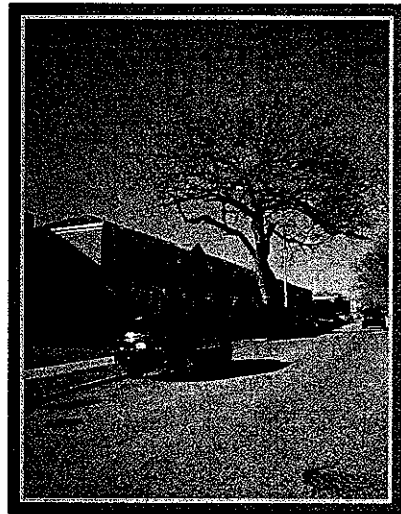
3004 Avenue R (Facing Avenue R)



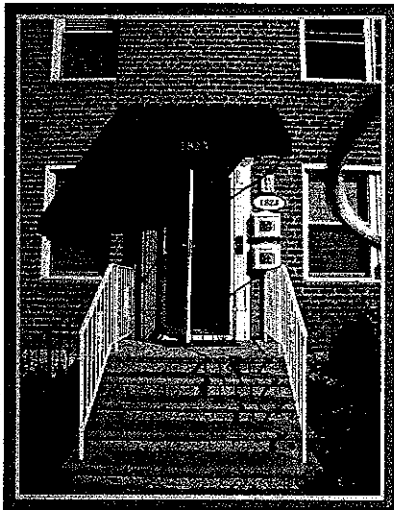
3004 Avenue R (Facing Stuart Street)



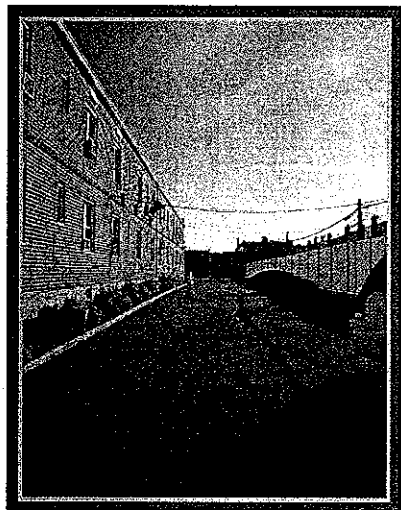
3004 Avenue R (Corner of Fillmore and Burnett Street)



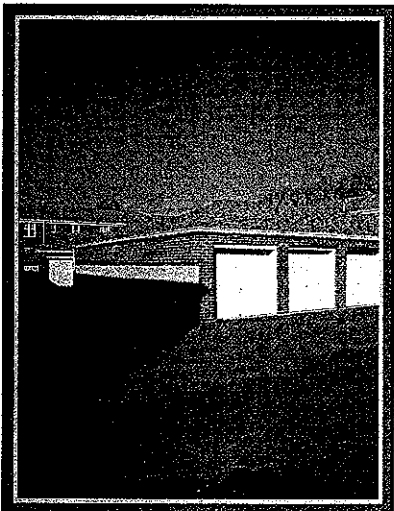
3004 Avenue R (Facing Burnett Street)



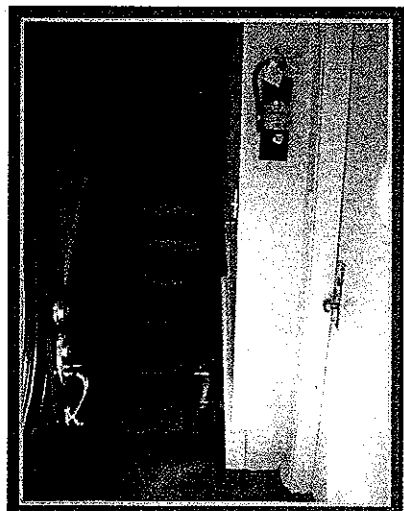
Typical Entrance



Parking Lot at 3004 Avenue R



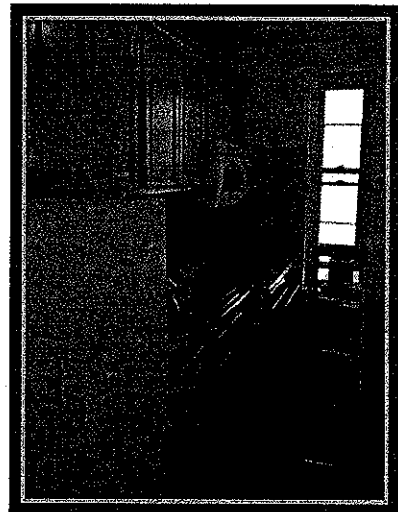
Typical Garage



Typical Foyer and Stairway



Typical Bathroom



Typical Kitchen



Typical Laundry Area

APPRAISAL REPORT

of

1865 Burnett Street

3001 Avenue R

3004 Avenue R

Brooklyn, New York

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UNDERLYING ASSUMPTIONS AND CONTINGENT CONDITIONS

For the purpose of this appraisal, except as otherwise stated in the appraisal report, it is assumed:

1. That the legal description is correct.
2. That the title to the property is legally sufficient.
3. That there are no encumbrances or defects of title.
4. That the property is free and clear of all liens.
5. That the property will be efficiently managed and properly maintained.
6. That there are no structural conditions which are not apparent.
7. That there are no sub-surface soil conditions which would cause extraordinary development costs.

The appraisal is made subject to the following contingent conditions:

1. That no liability is assumed because of inaccuracies or errors in information furnished by others.
2. That no liability is assumed as a result of matters of legal character affecting the property, such as title defects, encroachments, liens, overlapping boundaries, party wall agreements, and easements.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser, and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. Except as otherwise stated in the appraisal report, the value indication is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
4. This appraisal is to be used in whole and not in part. The appraisal is invalid if so used.
5. That no survey, structural or sub-surface soil investigation was made of the property by the appraiser.
6. The appraiser herein by reason of this appraisal is not required to give testimony in court with reference to the subject property unless otherwise previously arranged.

7. Possession of this report, or a copy thereof, does not carry with it the right of publication, nor may it be used for any purpose by anyone but the applicant without the previous written consent of the appraiser.
8. Present worth of the purchasing power of the dollar.
9. This appraisal was made for the purpose stated and should not be used for any unrelated purpose.
10. Each finding, prediction, assumption or conclusion contained in the appraisal report is the appraiser's personal opinion and is not an assurance that an event will or will not occur. Except as otherwise stated in the appraisal report, we assume that there are no conditions relating to the real estate, sub-soil or structures located on the real estate which would affect the appraiser's analyses, opinions or conclusions with respect to the real estate that are not apparent.
11. Neither all nor any part of the contents of the appraisal report (especially the conclusions as to value, the identity of the appraiser, references to the Appraisal Institute or references to the MAI or SRA designations) shall be disseminated to the public through advertising media, public relations media, news media, sales media or other public means of communication without the prior written consent and approval of the appraiser.
12. Appraisers and Planners, Inc. has not made a specific compliance survey and analysis of the property to determine whether or not it is in conformity with the various detailed requirements of the Americans with Disabilities Act (ADA, effective January 16, 1992). It is possible that a compliance survey of the property and a detailed analysis of the ADA requirements may reveal that the property is not in compliance with one or more requirements. If so, this fact might have a negative effect upon the value of the property. Appraisers and Planners, Inc. is not an ADA expert and has no direct evidence relating to this issue. This report does not reflect possible non-compliance with the ADA or its potential negative effect on the concluded value herein.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Identification:	1865 Burnett Street (Block 8472, Lot 1) 3001 Avenue R (Block 6816, Lot 33) 3004 Avenue R (Block 6816, Lot 1) Brooklyn, New York
Location:	<p>Block 8472, Lot 1 is located on the northerly blockfront of Fillmore Avenue between Burnett Street and Madison Place.</p> <p>Block 6816, Lot 33 is located on the northeast corner of Avenue R and Stuart Street.</p> <p>Block 6841, Lot 1 is located on the westerly blockfront of Burnett Street between Avenue R and Fillmore Avenue.</p>
Owner:	Records indicate ownership of the subject properties is held by Hoti Enterprises L.P.
Interest Appraised:	Leased Fee Interest
Purpose of Appraisal:	The purpose of the appraisal is to render an opinion of the market value of the leased fee interest in the subject properties.
Function of Appraisal:	The function of the appraisal is to be used for internal purposes.
Property Description:	<p>Block 8472, Lot 1 irregular in shape and contains approximately 56,000 square feet and is improved with a two-story walkup apartment building constructed in 1950, containing fifty two (52) apartments and twenty four (24) detached car garages in four buildings. Gross building area measures approximately 37,940 square feet according to the records of the City of New York.</p> <p>Block 6816, Lot 33 is square in shape and contains approximately 10,000 square feet and is improved with a two-story walkup apartment building constructed in 1950 containing eight (8) apartments and a seven (7) car garage. Gross building area measures approximately 1,470 square feet according to the records of the City of New York.</p>

Block 6841, Lot 1 is irregular in shape and contains approximately 92,600 square feet and is improved with a two-story walkup apartment building constructed in 1950, containing eighty four (84) apartments, twenty four (24) detached car garages in four buildings and a parking lot with a car capacity of thirty one (31) spaces. Gross building area measures approximately 67,464 square feet according to the records of the City of New York.

Zoning:
Block 8472, Lot 1: R4 Residential Zoning District
Block 6816, Lot 33: R3-2 General Residence Zoning District
Block 6841, Lot 1: R4 Residential Zoning District

Effective Date of Appraisal: December 3, 2008, the date of inspection

Conclusion of Market Value: \$14,450,000

SCOPE OF THE APPRAISAL

Appraisers and Planners, Inc. has been retained by Hoti Enterprises L.P. c/o Reich & Reich & Reich, P.C. to prepare an appraisal of the leased fee interest in the subject properties.

This appraisal has been prepared in summary format prepared in conformance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation as adopted by the Appraisal Institute and Code of Professional Ethics of the Appraisal Institute. To accomplish this assignment, the following scope of services was undertaken:

- Inspected the subject property and surrounding area: The property interior and exterior were inspected by Edward P. Ventunelli on December 3, 2008.
- Analyzed demographic trends in the vicinity of the subject property: Regional, area and neighborhood data are based on published sources, the files and library of Appraisers and Planners, Inc. and our discussions with knowledgeable sources.
- Analyzed zoning regulations applicable to the subject property: Zoning information is based upon the City of New York Zoning Resolution.
- Analyzed the Highest and Best Use of the subject property based upon physically possible uses, legally permissible uses, financially feasible uses and maximally productive uses.
- Conducted a study of market conditions in the subject market area: Market information is based upon published studies, the files and library of Appraisers and Planners, Inc. and our discussions with active participants and lenders in the marketplace.
- Examined all available lease and expense data pertaining to the subject property.
- Considered all approaches to value and developed the Income Approach in the valuation of the subject property.
- Provided a final value conclusion based upon the data and methodology set forth within the appraisal report.

IDENTIFICATION OF SUBJECT PROPERTY

The subject property is legally identified on the City of New York Tax Assessor's Map in the Borough of Brooklyn as Block 8472, Lot 1 is located on the northerly blockfront of Fillmore Avenue between Burnett Street and Madison Place, Block 6816, Lot 33 is located on the northeast corner of Avenue R and Stuart Street and Block 6841, Lot 1 is located on the westerly blockfront of Burnett Street between Avenue R and Fillmore Avenue in the Neighborhood of Marine Park, Borough and City of Brooklyn, Kings County and State of New York.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to render an opinion of the market value of the leased fee interest in the subject properties.

FUNCTION OF THE APPRAISAL

The function of the appraisal shall be used for internal purposes.

EFFECTIVE APPRAISAL DATE

The effective date of the appraisal is December 3, 2008, the date of inspection.

INTENDED USER

The intended user of the report is Hoti Enterprises L.P., the client.

PROPERTY RIGHTS APPRAISED

The property rights being appraised are those of the Leased Fee Interest. A Leased Fee Interest is defined as follows:

*"An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease."*¹

OWNERSHIP HISTORY

Records indicate ownership of the subject properties is held by Hoti Enterprises L.P. There has not been a transfer of ownership within the past three years.

¹ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th Ed., (Illinois: Appraisal Institute, 2002), page 161

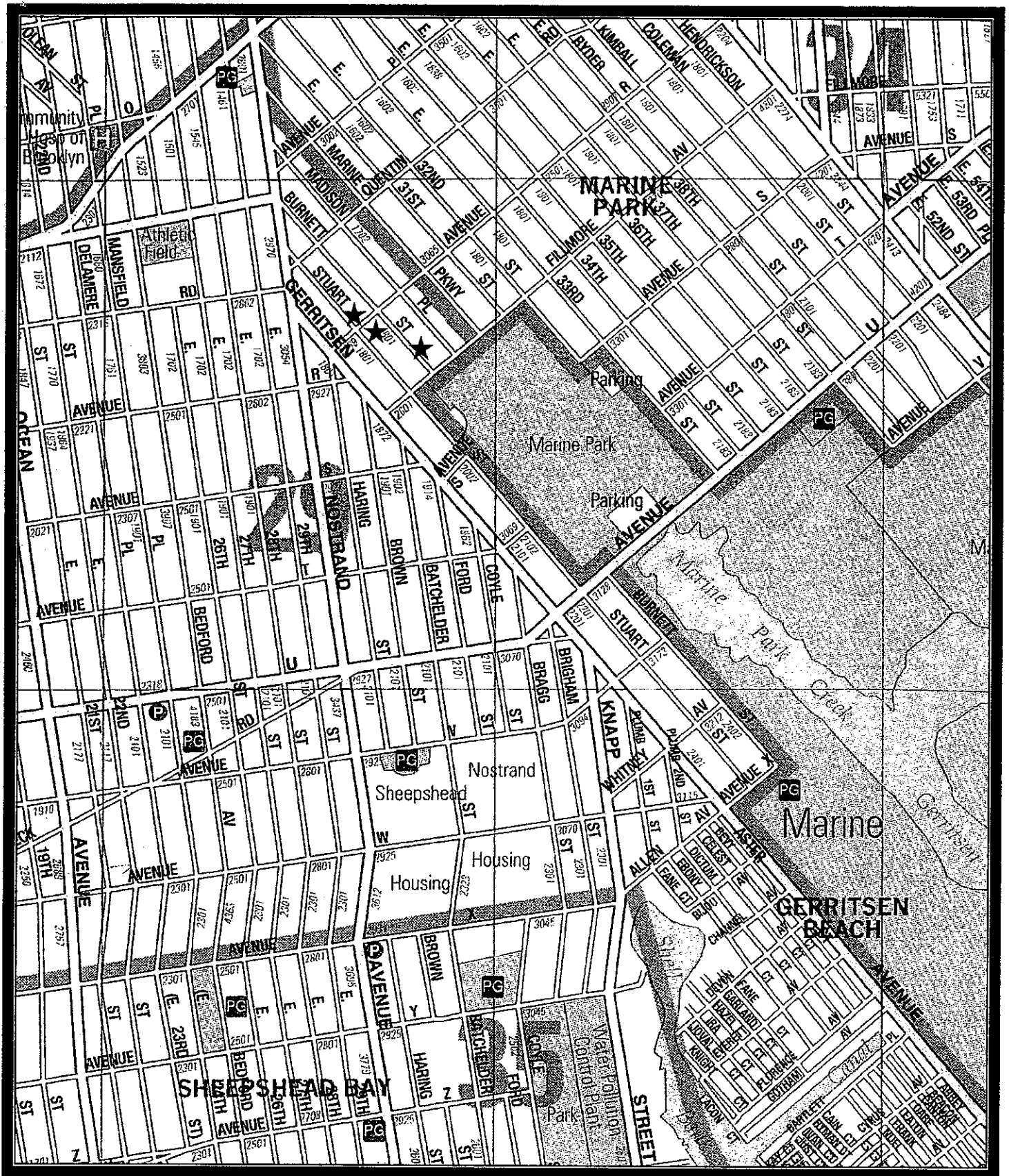
DEFINITION OF MARKET VALUE

Market value is defined as follows:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."²

² (12 C.F.R. Part 34.42(g); 55 Federal Register, 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)



Area Map

NEIGHBORHOOD ANALYSIS

The subject property is situated eastern edge of Brooklyn Community Planning District #15 which consists of the communities of Gravesend, Kings Highway, Gerritsen Beach, Manhattan Beach and Sheepshead Bay. The district has a land area of approximately of 3,166.9 acres or 4.9 square miles. The boundaries for the district are to the west McDonald Avenue, 86th Street, Coney Island Avenue and Corbin Place, to the north Avenue U, Avenue P, Kings Highway, to the east Nostrand Avenue and the Marine Park and to the south, the Atlantic Ocean.

As of the 2000 Census, Community Board District #15's total population was 160,319±. This represents an 11.7 % increase over the 1990 figure of 143,477. The land use as follows:

Brooklyn Community District 15			
	Lot Area		
	Land	Sq.Ft. (000)	%
1-2 Family Residential	17,906	46,021.2	50.9%
Multi-Family Residential	2,487	16,174.2	17.9%
Mixed Residential/Commercial	1,096	2,791.7	3.1%
Commercial/Office	720	5,391.4	6.0%
Industrial	38	415.8	0.5%
Transportation/Utility	74	2,447.5	2.7%
Institutions	206	7,165.9	7.9%
Open Space/Recreation	54	2,555.1	2.8%
Parking Facilities	201	822.6	0.9%
Vacant Land	796	6,143.9	6.8%
Miscellaneous	165	443.0	0.5%
Total	23,743	90,372.3	100.0%
Source: Community District Needs, Fiscal Year 2007			

The subject property is located at the eastern edge of Community District #15 between Stuart Street and Madison Place. The subject area is considered a stable middle-income residential neighborhood improved primarily with one and two family residential dwellings. The closest retail to the subject lies approximately three blocks west of the subject at the intersection of Nostrand Avenue and Avenue R. This retail consists of several one to two story strip centers of a "mom and pop" type nature including such retailers as: Tasty Stop Gourmet Food, Michael's Italian Restaurant, Avenue R Pharmacy, and Pronto Pizza. A larger neighborhood retail section lies approximately one half mile north of the subject property on Kings Highway. Retailers here include E-B Games, Sprint, Cell Tech, Century 21, Grill Paris, TJC Salon, Photo Express, Dunkin Donuts, as well as a diner directly across the street. The neighborhood is built up and there is very little vacant land available for development.

Neighborhood shopping and commercial areas are concentrated along Kings Highway. Community Planning District #15 has 34 private and parochial schools and 19 public schools. Kingsborough Community College, at Oriental Boulevard, is also situated in the district.

Marine Park faces directly south of the subject property. Marine Park is one of New York City's largest recreation and nature preserve areas. The park currently covers 798 acres. This number includes both, the land and water boundaries of the park. Marine Park surrounds the westernmost inlet of Jamaica Bay. Over the past sixty years, portions of Marine Park have been improved with recreational facilities, while other areas have been preserved to protect plant and wildlife. In 1939, the Pratt-White athletic field was opened. A 210-acre golf course opened in 1963. New baseball fields were opened in 1979. Nature trails were established along Gerritsen Creek in 1984-85. Ongoing improvements at the end of the 20th century included the reconstruction of basketball, tennis, bocce courts, baseball fields and the Lenape Playground just south of Avenue U. A Nature Center opened in 2000.

Transportation facilities are adequate. Located approximately one mile west of the subject property, at Kings Highway and East 16th Street, is the station of the B and Q trains. The closest east/west bus service is located on Fillmore Avenue on the B100 line. Major east/west bus service is provided along Kings Highway on the B82 line. The major north/south bus services are the B44 line on Nostrand Avenue and the B41 and Q35 lines on Flatbush Avenue. The Belt Parkway, approximately 1.5 miles south of the subject property, provides access to Manhattan and the other boroughs.

We have analyzed the area and neighborhood encompassing the subject property, and have found that the land uses are compatible. The subject neighborhood has remained fairly stable in recent years. In summary, the economic vitality of the area and immediate neighborhood surrounding the subject property supports demand for residential and retail space.

CURRENT ECONOMIC CONDITIONS

Financial Conditions

Early 2007 marked the beginning of the most turbulent financial environment inside the United States since the 1930s. Due to unconventional lending practices that emerged in a largely deregulated banking environment, companies engaging in mortgage lending recorded unprecedented profit margins during the housing boom of 2003-2006. Momentum built during this period and lending institutions continued to increase their risk by aggressively pushing residential and multi-family real estate products based on aggressive and often fraudulent underwriting. The exposure was then spread as these mortgages were sold in bulk and traded on the open market in the form of mortgage backed securities. The volume and ubiquity of these loans together with their subsequent high rates of foreclosures resulted in an unraveling of the banking system and a dramatic shift in the cost and availability of financing across all types of business.

Through the third quarter of 2008 there was some evidence that the health of the New York City economy remains relatively stable, while the state and national economies are experiencing overall downturns. The sub-prime credit crisis with increased home foreclosures directly impacted the financial service sector resulting in first quarter layoffs on Wall Street. It is estimated that as of May 2008, approximately 22,000 jobs were lost in New York City including most notably Bear Stearns with 7,000 job cuts after they were purchased by JP Morgan Chase Bank. September 2008 was considered one of the worst months during the credit crisis as banks essentially stopped lending money to each other for fear they would not be repaid. The problems intensified when Lehman filed for bankruptcy and the government loaned insurer American International Group Inc. \$85 billion to help it remain in business. This downturn continued in October 2008 when Goldman Sachs, the world's largest investment bank, received approval to become a bank holding company and announced that it would cut about 3,260 jobs worldwide in an attempt to cut expenses.

According to a September 15, 2008 press release from the New York State Department of Labor, recent data will likely show that the number of financial sector layoffs will continue to grow and based on past data, approximately 40,000 jobs in the financial services industry in the New York City area can be expected to be lost in the current downturn. All told, approximately 120,000 jobs may ultimately be directly and indirectly affected as a result of financial sector turmoil. The New York City unemployment rate in September 2008 was 5.5% down slightly from the August 2008 rate of 5.6%, but still up from the 5.0% in July 2008. Although New York City compares favorably to New York State and the nation's September 2008 unemployment rates of 5.8% and 6.5%, respectively.

Results of these practices first emerged with the weakening of major mortgage lending companies as American Home Mortgage and Countrywide Financial Corporation, of which the latter was financing 20% of all mortgages in the United States in 2006. As early as August of

2007, American Home Mortgage had declared bankruptcy and Countrywide reported major layoffs and restructuring to its mortgage banking unit, a division then responsible for approximately 50% of the companies pre-tax earnings. By September of 2008, the spread had become so pervasive and destructive that even heavily regulated residential mortgage purchasers, Fannie Mae and Freddie Mac, had to be placed into conservatorship and taken over by the government with a pledge of up to \$200 billion in rescue.

The pain did not cease with mortgage lenders however, as U.S. and international investment banks had been purchasing and retaining significant amounts of mortgage backed securities during the economic boom. They were therefore not spared by high default rates on sub-prime loans and adjustable rate mortgages as initial terms came to an end. In January of 2008, Merrill Lynch & Company reported a \$9.83 billion fourth quarter loss incorporating a \$16.7 billion write down of assets associated with sub-prime mortgages and was subsequently bought by Bank of America for \$29 a share. In March of 2008, Bear Stearns was bought by J.P. Morgan for \$2 a share, a purchase that included \$30 billion of underwriting by the Federal Reserve of New York, and in September Lehman Brothers declared bankruptcy with its assets later sold to Barclays PLC. The other two of the top five investment banks in the U.S. have since converted to commercial banking models, subjecting themselves to much tighter regulation. Regional banks, such as SunTrust and Wachovia, are next on the watch list and are currently being considered for bail out by the federal government.

One of the most destructive consequences with potentially long term debilitating effect is the freezing up of credit. Everyday businesses, outside of the housing and construction sectors, began experiencing difficulty in borrowing money. With the general availability of credit (or loans) tightening to such a degree, businesses lack the ability to carry out everyday operations such as paying their employees and suppliers. In an effort to mitigate the tightening Treasury Secretary Henry Paulson proposed a \$700 billion bail out plan to Congress on September 19, 2008. At the heart of the plan is the federal government's purchase of billions of dollars worth of illiquid mortgage backed securities in order to increase liquidity in the secondary mortgage markets and limit further losses to financial institutions owning such securities. In mid-October emphasis of the bail out plan shifted from buying up illiquid assets to recapitalizing banks of all sizes in exchange for preferred equity. Many have questioned the "socialistic" nature of the government owning large stakes in U.S. banks but the severity of the crisis has engendered such a unifying force to fix the problem that many free market economists support the move.

The financial crisis has widespread effects on the New York economy. It is headquarters to most of the aforementioned financial institutions, the seat of the nation's major stock indices and the largest real estate market in the country. Before layoffs began, Wall Street was employing roughly 180,000 workers. While this only represents 5% of the New York workforce, this subset generates a dramatic 23% of total wages in the City. City Comptroller William Thompson is now projecting Wall Street job losses at 35,000. The loss of these wages together with the reduction of overall bonus monies, a driving force behind the movement of New York's real estate, will have undisputed negative effects on the housing market. Early indicators pointing to a

slowdown in the market are oversupply and a reduction in building permit requests. The third quarter of 2008 housing market report by Corcoran, a leading real estate sales and research company, cites inventory in the City at an 8 year high while purchase activity was down 34% from the same period last year. And according to the U.S. Census Bureau, building permits for residential construction were down 46% citywide in first quarter of 2008 from first quarter of 2007. As pressure on real estate markets has historically trailed activity in the financial markets, the local economic picture remains remarkably unpredictable into the foreseeable future.

Employment

The job losses due to the tech bubble and which were experienced in the early 2000's (79,000 jobs) were largely made up by 2007. The current overall employment picture reveals a slight increase of approximately 0.5% in employment from 2007 through September 2008. Overall, employment levels in September 2008 have surpassed 2000's level by 51,300 jobs. However, current difficulties in the credit and stock markets suggest that layoffs in the first and second quarters of 2008 will continue and accelerate through the year. The recent sub-prime crisis and resulting Wall Street fallout has resulted in actual and announced Wall Street layoffs. Most economists indicate that we are in a national recession. The economy shed 80,000 jobs in March, 2008. Additionally, the US Labor Department reported 62,000 jobs lost in June 2008, the sixth consecutive month of nationwide job losses. The most recent report indicates that total non-farm employment is down by 240,000 in October 2008. New York City has been somewhat isolated from these events and its economy held strong throughout 2007. However, most economists and businesses are taking a "wait and see" approach in terms of making business decisions/projections. The implosion of Bear Stearns has resulted in a likely loss of 10,000 jobs once the company is absorbed by JP Morgan Chase. In October 2008 Goldman Sachs, the world's largest investment bank, received approval to become a bank holding company, and announced that it would cut about 3,260 jobs worldwide as it attempts to cut expenses. These, as well as the other announced and projected financial service jobs that will be lost through 2008 are projected to be in the range of 30,000 - 50,000.

In terms of economic contribution, the Services Producing sector accounts for approximately 94% of total employment in the city, with the Goods Producing sector accounting for only 6% of total employment. Education/Health Services is the largest Service Producing sector employing approximately 19% of the total workforce. Professional/Business Services and Trade/Transportation/Utilities follow with each sector employing between 15.9% and 15.1% of the workforce respectively. The Financial Activities sector, led by Wall Street, employs approximately 12.4% of all those employed. Leisure/Hospitality sector employs 8.2% of the workforce with Government employing 4.2%. The Service Producing sector continues to fuel the regional and local economy and is projected to continue to do so into the future.

The New York City unemployment rate decreased substantially from 1992 through mid-year 2001 as the economy improved and grew. Between 1992 and 1995, the overall unemployment rate in New York City declined substantially from its high of 11% to 8.2%. In 1996 and 1997 the unemployment rate increased due to the larger labor force, but thereafter improved dramatically in

1998 through mid-2001. Subsequent to mid 2001, the unemployment rate began increasing as the economy entered a recession. However, beginning in 2004, the unemployment rate began decreasing. The following table details the city's historical unemployment rate.

Historical Unemployment Rate New York City	
Year	Rate
1992	11.0%
1993	10.4%
1994	8.7%
1995	8.2%
1996	8.8%
1997	9.4%
1998	8.0%
1999	5.8%
2000	5.7%
2001	6.1%
2002	7.9%
2003	8.0%
2004	7.1%
2005	7.0%
2006	5.7%
2007	5.0%
Nov08	6.7%

Source: US Bureau of Labor Statistics

Unemployment within New York City for 2006 was 5.7%, down from 7.0% in December 2005. The 2007 unemployment rate of 5.0% reveal continued improvement. However, as a result of the weakening economy and recession it stands at 6.7% as of November, 2008. As previously mentioned, Wall Street layoffs have been announced and the unemployment rate is projected to increase through at least 2008. Therefore, unemployment will continue to increase over the next several months. On the National level, 533,000 jobs were lost in November, the largest one month drop since 1974. Thus far in 2008 we have lost 1.9 million jobs and the National Unemployment Rate is up to 6.7%. If one included those who want to work but are no longer actively seeking positions and part time workers who are seeking full time employment, the rate jumped to 12.5% in November.

Conclusion

It is apparent that the current credit crisis and economic problems will continue, at least, for many months on both a national and international level.

AVENUE

R

MADISON

MARSH

ST.

PL.

AVE.

FILLMORE

BURNETT

ST.

SUBJECT

STUART

ST.

Tax Map

QUENTIN

RD.

35	34	32	30	28
100	100	100	100	100
26	25	24	23	22
21	20	19	18	17
16	15	14	13	12
11	10	9	8	7
6	5	4	3	2
1				

R.

MADISON

PL.

33	32	31	30	29	28
100	100	100	100	100	100
46	47	48	49	50	51
52	53	54	55	56	57
58	59	60	61	62	63
1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36

AVENUE

BURNETT

ST.

32	31	30	29	28	27	26	25	24	23	22	21	20	19	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
58	57	56	55	54	53	52	51	50	49	48	47	46	45	44	43	42	41	40	39	38	37	36	35	34	33	32	31	30	29	28	27
100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

6816

7711

7712

SUBJECT

STUART

ST.

Tax Map

R

SUBJECT

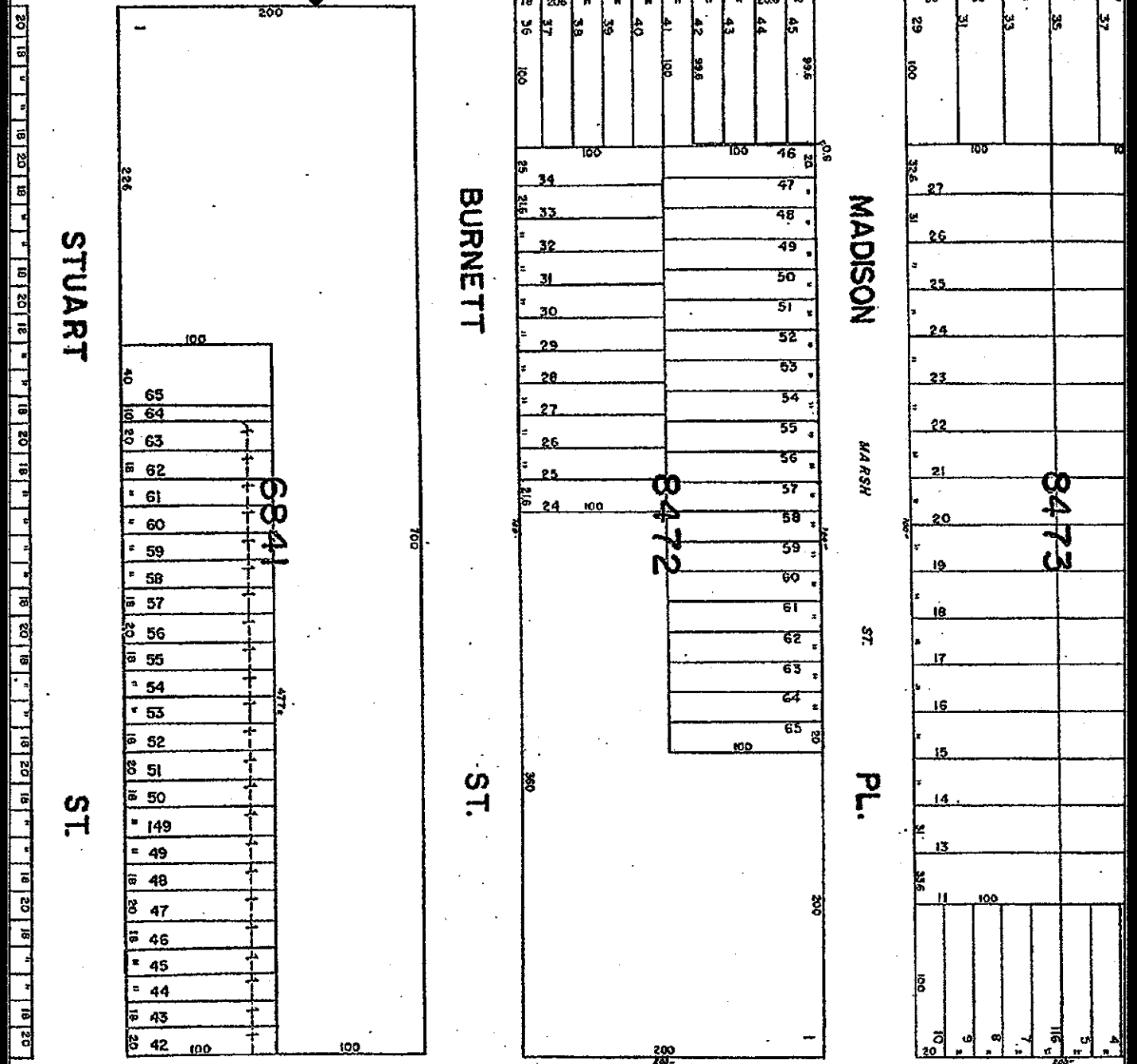
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51

2.

AVE.

Tax Map



REAL ESTATE ASSESSED VALUATION AND TAX DATA

Properties or ad valorem taxes are one of the primary revenue sources of municipalities. Based on the concept that the tax burden should be distributed in proportion to the value of all properties within a taxing jurisdiction, a system of assessments is established by the local assessor. Theoretically, the assessed value placed on each parcel bears a definite relationship to market value so that properties of equal market values will have similar assessments, and properties of higher and lower values will have proportionately larger and smaller assessments.

The subject properties are assessed by the Property Division of the City of New York Department of Finance. The property is identified as Block 8472, Lot 1, Block 6816, Lot 33 and Block 6841, Lot 1. The real estate taxes for the properties are based on local tax assessment practices, existing assessments and changes in market value, and changes in the tax rate.

Local Tax Assessment

The Property Division of the City of New York Department of Finance assigns both an actual and transitional assessment to real property. Real estate taxes are calculated based on the lower of the two assessments. Assessments are theoretically based on 45% of the assessor's market value conclusion.

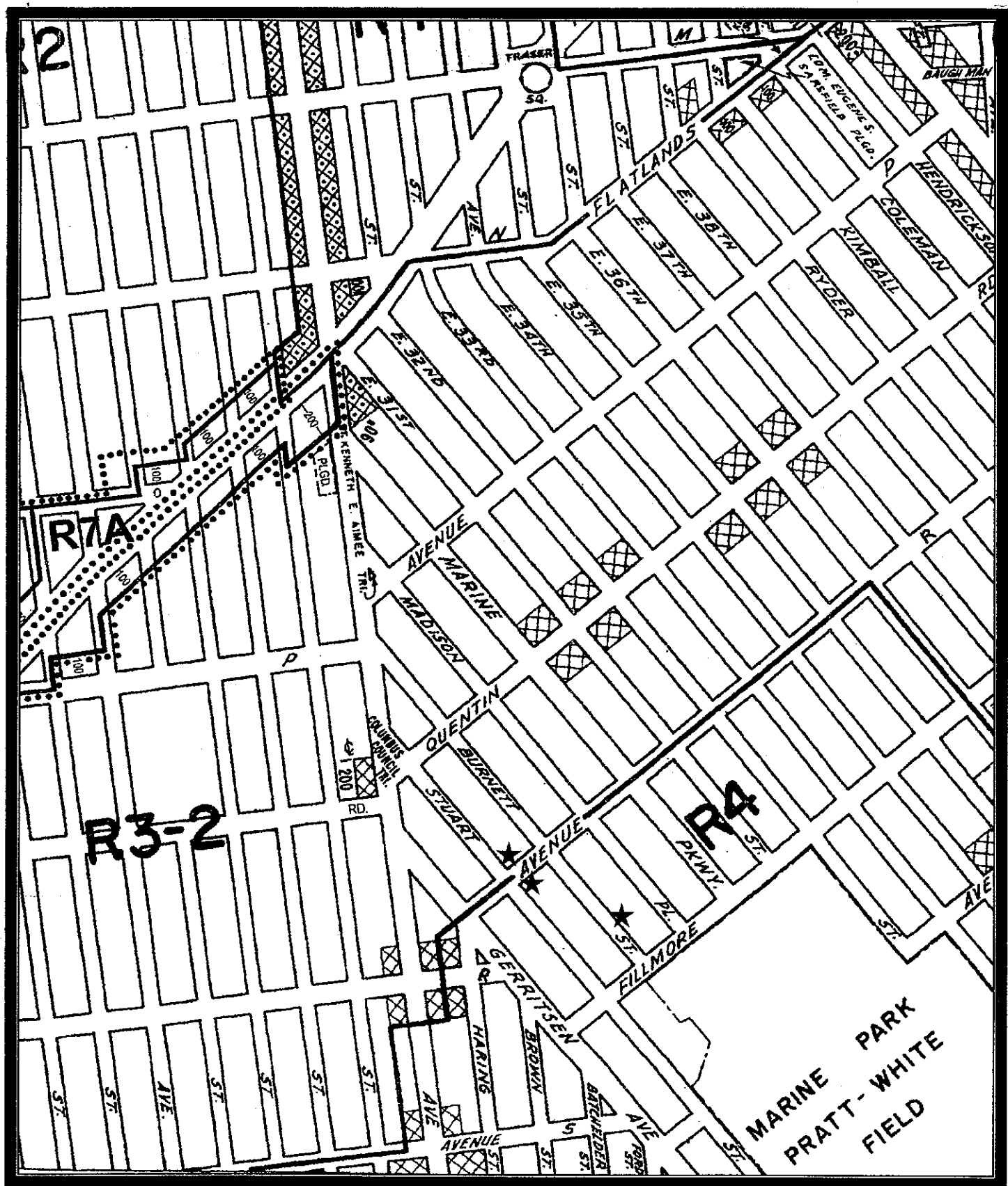
To calculate real estate taxes, the lower of the two assessments is multiplied by the annual tax rate. The subject properties are classified within Tax Class II and Class IIB. The 2008/09 Class II and Class IIB tax rate is \$12.139 per \$100 of assessed value.

2008/09 Subject Properties Assessments and Real Estate Taxes

Block 8472, Lot 1	Actual	Transitional
Land	\$ 445,500	\$ 445,500
Building	<u>2,025,000</u>	<u>1,069,200</u>
Total	\$ 2,470,500	\$ 1,514,700
Block 6816, Lot 33		
Land	\$ 178,091	\$ 178,091
Building	<u>64,099</u>	<u>64,099</u>
Total	\$ 242,190	\$ 242,190
Block 6841, Lot 1		
Land	\$ 1,251,000	\$ 1,051,200
Building	<u>2,790,000</u>	<u>1,125,000</u>
Total	\$ 4,041,000	\$ 2,176,200

Current taxes are calculated based on the lower of the two assessed values. Thus, the real estate taxes for the subject property are calculated as follows:

Block 8472, Lot 1	\$ 1,514,700	x	0.12139	=	\$ 183,869
Block 6816, Lot 33	\$ 242,190	x	0.12139	=	29,399
Block 6841, Lot 1	\$ 2,176,200	x	0.12139	=	<u>264,169</u>
					\$ 448,038
			Rounded		\$ 448,000



Zoning Map

ZONING ANALYSIS

Block 8472, Lot 1 and Block 6841, Lot 1 are situated within a R4 Residential Zoning District. The R4 district is a low-density housing district which is widely mapped in all boroughs of New York City except for Manhattan. In general, the areas zoned R4 are not served directly by rail rapid transit.

The Quality Housing Program is not required in R4 districts. The Quality Housing Program was established as an optional requirement for the purpose of developing multi-family housing in medium density districts that combines building design and the quality of life in a dense urban environment.

The following are the bulk regulations:

Maximum Floor Area Ratio:	0.75 (residential)
Minimum OSR:	80.0
Floor Area per Room:	205 square feet
Minimum Yard Requirement:	
Front Yard:	18 feet
Side Yards:	8 feet or 10% of building length; 15 feet maximum (for buildings not exceeding 2 stories and basement)
Maximum Length of Row:	185 feet
Required Parking:	1 space per dwelling unit

The following uses are permitted in R4 districts.

Use Group 1	Single family detached residences
Use Group 2	Residences of all kinds including apartment hotels and non-profit residences for the elderly.
Use Group 3	Community facilities which include colleges or universities, libraries, museums, non-commercial art galleries, trade schools, nursing homes and health related facilities.
Use Group 4	Churches, medical offices.

Block 8472, Lot 1 is approximately 56,000 square feet and Block 6841, Lot 1 is approximately 92,600 square. If the sites were vacant and available for development to its highest and best use, the maximum total buildable area permitted under current zoning requirements would be:

Plot Square Feet		FAR	Maximum Total Building Area	
Block 8472, Lot 1	56,000 sq.ft.	x 0.75	=	42,000 sq.ft.
Block 6841, Lot 1	<u>92,600 sq.ft.</u>	x 0.75	=	<u>69,450 sq.ft.</u>
Total:	148,600 sq.ft.			111,450 sq.ft.

Block 6816, Lot 33 is located within a designated R3-2 district which is classified as a General Residence District. According to the City of New York Zoning Resolution, the R3-2 district is designed...

"to provide for all types of residential buildings, in order to permit a broad range of housing types, with appropriate standards for each district on density, open space and spacing of buildings. The various districts are mapped in relation to a future residential density pattern with emphasis upon accessibility to transportation facilities and to various community facilities, and upon the character of existing development. These districts also include community facilities and open uses which serve the residents of these districts or are benefited by an open residential environment."

The R3-2 district constitutes the least dense zone in which multiple dwellings are allowed. The district allows for a variety of housing types, including garden apartments, row houses and the occasional apartment house surrounded by extensive open space. The residential use of the site is an as-of-right, legal use.

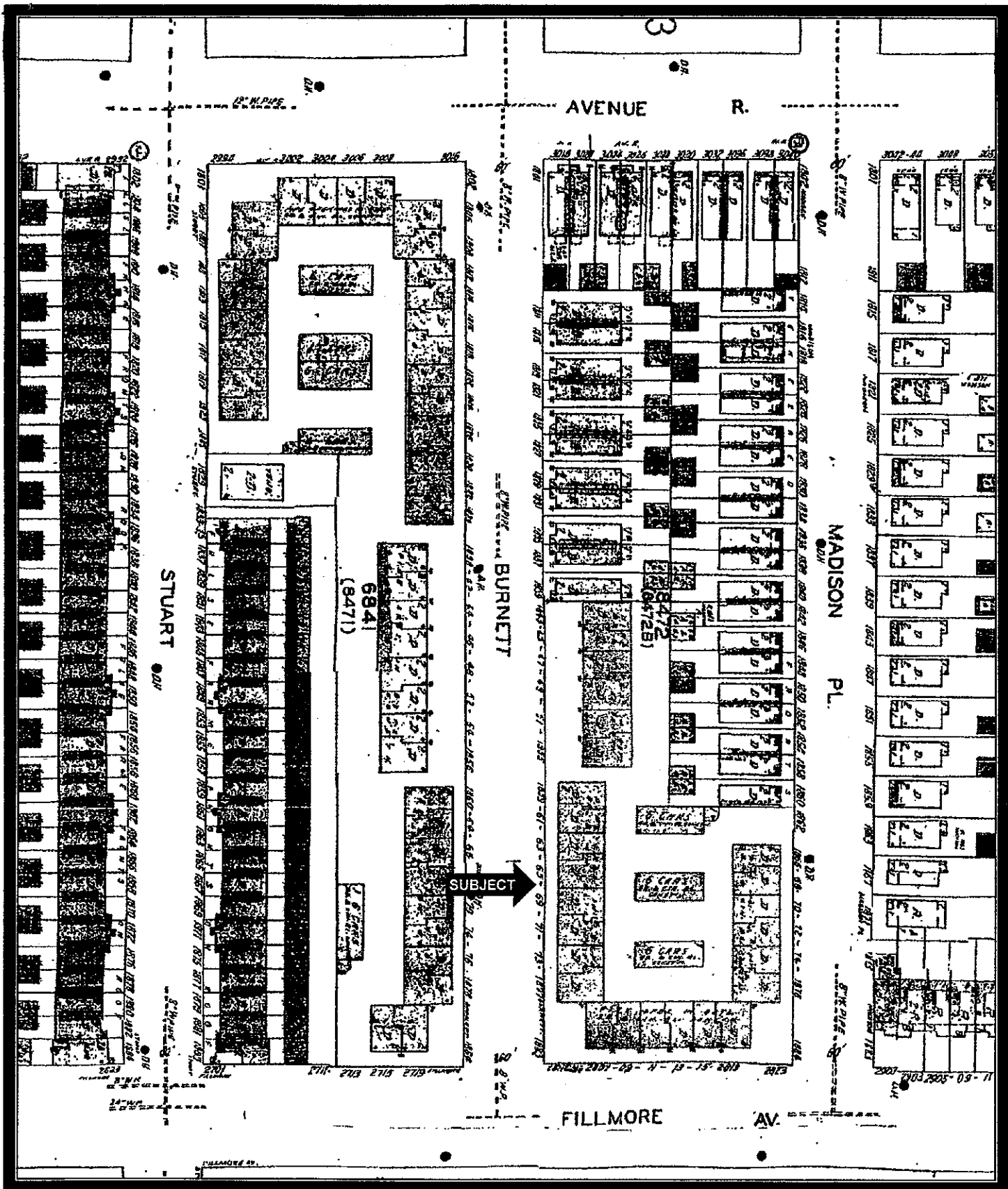
Incorporated within the R3-2 zoning regulations are the following requirements:

Maximum Floor Area Ratio (FAR):	0.5
Minimum Lot Size:	
Detached:	40 feet
Semi-Detached:	18 feet
Minimum Lot Size:	
Detached:	3,800 sq.ft.
Semi-Detached:	1,700 sq.ft.
Maximum Lot Coverage:	35%
Maximum Building Height/Perimeter Wall:	35 feet/21 feet
Minimum Yard Requirement:	
Front Yard:	15 feet
Rear Yard:	30 feet
Minimum Required Parking:	1 per dwelling unit

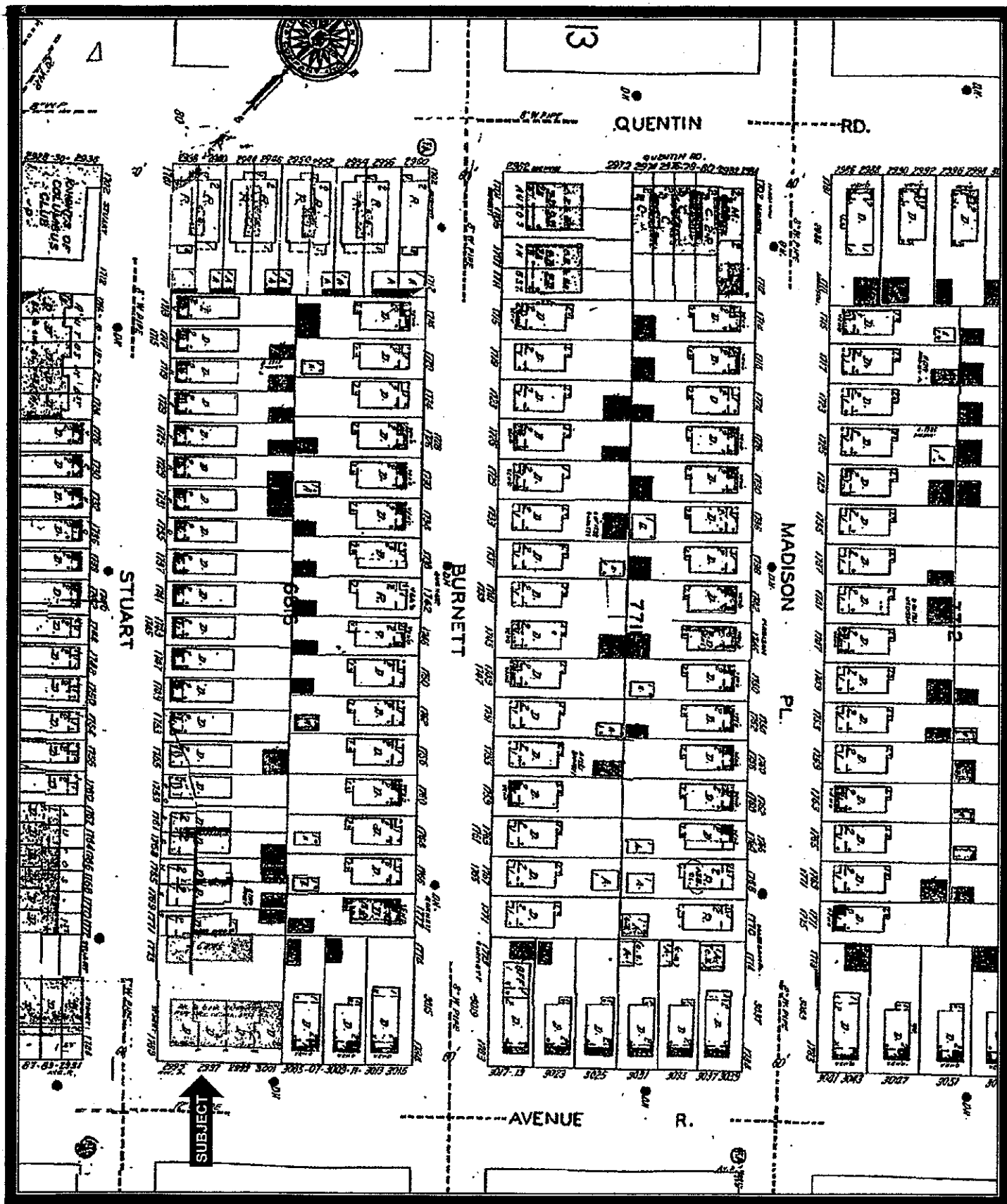
The plot area of the subject site is approximately 10,000 square feet. If the site were vacant and available for development to its highest and best use, the maximum total buildable area permitted under current zoning requirements would be:

Plot Square Feet		FAR		Maximum Total Building Area
10,000 sq.ft.	x	0.5	=	5,000 sq.ft.

Based on the present zoning ordinance, the subject properties are legally conforming as to use and legally complying as to bulk.



Plot Plan



Plot Plan

DESCRIPTIVE DATA

19

SITE DATA

Location:

Block 8472, Lot 1 is located on the northerly blockfront of Fillmore Avenue between Burnett Street and Madison Place in the Neighborhood of Marine Park, Borough and City of Brooklyn, Kings County and State of New York.

Block 6816, Lot 33 is located on the northeast corner of Avenue R and Stuart Street in the Neighborhood of Marine Park, Borough and City of Brooklyn, Kings County and State of New York.

Block 6841, Lot 1 is located on the westerly blockfront of Burnett Street between Avenue R and Fillmore Avenue in the Neighborhood of Marine Park, Borough and City of Brooklyn, Kings County and State of New York.

Site Measurements:

Block 8472, Lot 1 irregular in shape with a 360' frontage along the easterly side of Burnett Avenue and a 200' frontage along the northerly side of Fillmore Avenue; and a 200' frontage along the westerly side of Madison Place.

Block 6816, Lot 33 is square in shape with a 100' frontage along the northerly side of Avenue R and a 100' frontage along the easterly side of Stuart Street.

Block 6841, Lot 1 is irregular in shape with a 200' frontage along the southerly side of Avenue R; a 226' frontage along the easterly side of Stuart Street; a 700' frontage along the westerly side of Burnett Street and a 100' frontage along the northerly side of Fillmore Avenue.

Total Land Area:

Block 8472, Lot 1	56,000	sq.ft.
Block 6816, Lot 33	10,000	sq.ft.
Block 6841, Lot 1	92,600	sq.ft.

Zoning:

Block 8472, Lot 1 and Block 6841, Lot 1 are located within a R4 Residential Zoning District.

Block 6841, Lot 1 is located within a R3-2 General Residence Zoning District.

Topography:

The site is generally level at street grade.



DESCRIPTION OF THE IMPROVEMENTS

Type: The subject sites are improved with 2-story and basement walk-up garden apartment buildings containing a total of 144 rental apartment units.

Block 8472, Lot 1: Is improved with four (4) 2-story and basement walk-up garden apartment buildings containing a total of 52 apartments. This site also has three (3) garage structures with space for 24 cars.

Block 6816, Lot 33: Is improved with one (1) 2-story and basement walk-up garden apartment building containing a total of 8 apartments. This site also has one (1) garage structures with space for 7 cars.

Block 6841, Lot 1: Is improved with three (3) 2-story and basement walk-up garden apartment buildings containing a total of 84 apartments. This site also has four (4) garage structures with space for 24 cars, as well as paved and lined area for 31 parking spaces.

Age: Constructed in 1950.

Building Area: Block 8472, Lot 1: 37,940 square feet
Block 6816, Lot 33: 1,470 square feet
Block 6841, Lot 1: 67,464 square feet

Exterior walls: The street facades are with brick.

Windows: Thermopane, double-hung.

Entrances: The entrances to the apartments for Block 8472, Lot 1 are located on Burnett Street, Fillmore Avenue and Madison Place. The entrances to the apartments for Block 6816, Lot 33 are located on Avenue R. The entrances to the apartments for Block 6841, Lot 1 are located on Stuart Street, Avenue R, Burnett Street and Fillmore Avenue. The entrance to each apartment is five steps up a stone stoop equipped with metal railings. All entrance doors are of wood with ornamental glass frames and each entrance has a glass and metal storm door. Each apartment entrance is lit with fluorescent lighting. Intercoms, mailboxes and a canvas canopy are located at the entrance to each of the apartments.

HIGHEST AND BEST USE ANALYSIS

The highest and best use analysis and conclusions for a particular property provide the basis upon which the market value is predicated. The purpose of the highest and best use analysis is to identify the use of a property that is expected to produce the highest overall return.

According to the Appraisal Institute, **highest and best use** is defined as:

"The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and which results in highest land value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability."³

The highest and best use analysis involves examination of the highest and best use of the subject property first as if vacant and unimproved and second, as improved.

In determining the highest and best use, the four tests of highest and best use are examined.

- **Physically Possible:** The initial test of highest and best use considers the size, shape, area and terrain or topography of a parcel of land that can affect the use of that parcel. This test also takes into account utility of the parcel based on frontage and depth measurements.
- **Legally Permissible:** The second test or criterion of highest and best use considers what uses are permissible legally. This relates to designated zoning, bulk regulations, restrictions applicable to a lease, environmental regulations, easements or other restrictions.
- **Financially Feasible:** The financial feasibility criterion refers to that use of the physically possible, legally permissible uses that is likely to produce a positive return to the owner.
- **Maximally Productive:** The fourth and final test of highest and best use is determining which of the financially feasible uses provides the highest net return to the investor.

Based upon the zoning and the improvements in the neighborhood, the subject improvement reflects the highest and best use of the property.

³ Appraisal Institute, *The Dictionary of Real Estate*, 4th Ed., (Illinois: The Appraisal Institute, 2002), page 135

APPRAISAL PROCESS

The appraisal process is the orderly program in which the data used to provide an opinion of the market value of the subject property is acquired, classified, analyzed and presented. The first step is defining the appraisal problem, i.e., identification of the real estate, establishing the effective date of the value estimate, addressing the property rights being appraised and the type of value sought. Once this has been accomplished, the appraiser considers all the factors that affect the value of the subject property. This study includes Area and Neighborhood Analyses, Site and Improvement Analyses, Highest and Best Use Analysis and the application of the three approaches to rendering an opinion of the property's value. The three traditional approaches to value real property are: the Cost Approach, the Sales Comparison Approach, and the Income Capitalization Approach.

The **Cost Approach** is used to arrive at a market value developed by computing the current cost of replacing a property and deducting any accrued depreciation resulting from one or more of the following factors: physical deterioration, functional obsolescence and external obsolescence. The resultant figure, combined with an adequate return for the entrepreneurial effort, is added to the land value to arrive at an indication of value for the whole property. Generally, the land value is obtained through the Sales Comparison Approach. The Cost Approach is often best suited to new or recently constructed properties with a minimum amount of accrued depreciation.

The **Sales Comparison Approach** is based on the principle of substitution since a prudent purchaser would pay no more for a particular property than the price necessary for the acquisition of a substitute property which offers equal utility. The appraiser gathers data on sales of comparable properties and analyzes the nature and condition of each sale, making logical adjustments for dissimilar characteristics. Typically, a common denominator is found. For land value, this is usually either a price per square foot or price per acre; for improved properties, the common denominator may be price per square foot, price per unit, or a gross rent multiplier. The Sales Comparison Approach gives a good indication of value when sales of similar properties are available.

The **Income Capitalization Approach** is predicated on the assumption that there is a definite relationship between the amount of cash flow a property may generate and its value. The anticipated annual cash flow of the subject property is processed to produce an indication of value. This approach is based on the principle that value is created by the expectation of benefits derived in the future. The Income Capitalization Approach encompasses two different techniques: discounted cash flow analysis and direct capitalization. In the discounted cash flow technique, the benefits to equity of annual cash flow and sale proceeds over a reasonable holding period are converted into a value estimate using current costs of equity capital. Rates of return are derived from yields anticipated by recent buyers of similar real estate. Factors such as risk, time, interest on the capital investment, and recapture of the depreciating asset are considered in the selection of rates. In the direct capitalization technique, the cash flow for the first stabilized year is converted into an indication of value by using an overall capitalization rate.

On the following pages are historical income and operating figures for the subject property, followed by our summarized proforma.

Hoti Enterprises LP
Historical Income and Operating Expense Statement

	2006	2007
Income		
Rents	\$ 1,846,012	\$ 1,887,584
Operating Expenses		
Real Estate Tax	\$ 305,658	\$ 305,993
Insurance	101,000	94,643
Repairs & Maintenance	98,951	76,043
Cleaning	18,469	48,178
Utilities	259,494	273,736
Licenses & Permits	26,751	22,165
Security / Protection	-	2,977
Management & Leasing Commissions	254,360	501,000
Consulting & Advertising	18,528	51,418
Legal & Professional Fees	<u>18,007</u>	<u>35,432</u>
Total Expenses	\$ 1,101,218	\$ 1,411,585
Net Operating Income	\$ 744,794	\$ 475,999

Stabilized Income & Operating Expense Statement**Income**

Rental Income - Residential		\$ 2,333,000
Rental Income - Garage		140,000
Rental Income - Parking		<u>55,000</u>
Total Income		\$ 2,528,000
Less: Vacancy & Credit Loss		
Residential @ 5%	\$ (116,650)	
Garage & Parking @ 15%	<u>(29,250)</u>	<u>(145,900)</u>
Effective Gross Income		\$ 2,382,100

Operating Expenses

Real Estate Tax	\$ 448,000
Payroll	132,600
Insurance	100,000
Repairs & Maintenance	100,000
Cleaning	50,000
Exterminating	6,400
Utilities	300,000
Licenses & Permits	25,000
Security	5,000
Consulting & Advertising	45,000
Legal & Professional Fees	40,000
Management and Leasing Commissions @ 5%	<u>119,100</u>
Total Operating Expenses	\$ 1,371,100

Net Operating Income **\$ 1,011,000**

Selection of Overall Capitalization Rate

An overall capitalization rate is defined as:

"An income rate for a total real property interest that reflects the relationship between a single year's net operating income expectancy and the total property price or value used to convert net operating income into an indication of overall property value".⁴

In selecting an appropriate overall rate to apply to the subject estimated net operating income, we have considered capitalization rates projected by investors, pension funds, investment bankers, investment advisors and lenders on a national and local basis.

In the absence of market derived rates, we have relied upon input from a number of market sources including investment bulletins published by Peter Korpacz & Associates, Real Estate Research Corporation and interviews with local market participants in addition to our own experience and awareness of the local market.

Korpacz Real Estate Investor Survey conducts an active survey by polling buyers and sellers, and also monitors returns in index form. Their surveys for the Third Quarter of 2008 have apartment buildings selling for between 3.50% and 8.00%, with an average of 5.86% while the corresponding figures for RERC Third Quarter 2008 (2nd Tier/East Coast) were between 6.50% and 9.50%, with an average of 7.80%. The rate for New York is 6.80%.

National Apartment Market Third Quarter 2008	
Korpacz Overall Cap Rate	
Range	3.50% - 8.00%
Average	5.86%
Apartment Third Quarter 2008 2 nd Tier Properties/East Coast	
RERC Going-in Cap Rate	
Range	6.00% - 9.50%
Average	7.80%
New York	6.80%

⁴ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 3rd Ed., (Chicago, Ill., Appraisal Institute, 1993), page 256

Taking into consideration the nature of the property, its location, the credit crisis and the economy a capitalization rate of 7.00% has been adopted.

Net Operating Income	\$ 1,011,000
Capitalization Rate	7.00%
Indicated Value of Property	\$14,442,857
Rounded	\$14,450,000

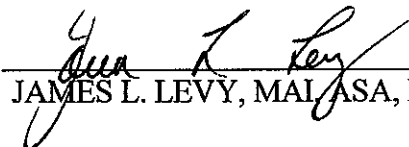
Conclusion

Therefore, it is our opinion that the market value of the leased fee interest in the subject property, as of December 3, 2008, is:

FOURTEEN MILLION FOUR HUNDRED FIFTY THOUSAND (\$14,450,000) DOLLARS

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Edward P. Ventunelli made a personal inspection of the property that is the subject of this report. James L. Levy, MAI, ASA, MRICS reviewed the report, but did not inspect the property.
- Edward P. Ventunelli assisted the appraiser in obtaining descriptions, history, operating records and lease data; accumulating tax and assessment data, zoning and market data; preparing preliminary analysis using the income capitalization approach for review and under the supervision of the appraiser, writing the draft of the report.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.


JAMES L. LEVY, MAI, ASA, MRICS

**STATEMENT OF QUALIFICATIONS
JAMES L. LEVY, MAI, ASA, MRICS**

James L. Levy is Chairman of the Board of Appraisers and Planners, Inc. a full service appraisal and real estate consulting firm based in New York City. He has been involved in commercial real estate valuation for over 45 years and holds the MAI and SRA designations from the Appraisal Institute, the ASA designation from the American Society of Appraisers and the MRICS designation from the Royal Institute of Chartered Surveyors. His clients include major law and accounting firms, developers, financial institutions and municipal governments among others. Over his career, he has been involved in major New York City commercial projects valued in excess of fifteen billion dollars.

Mr. Levy has been involved with many arbitrations serving both as an expert and arbitrator. He recently has become a member of the American Arbitration Association (AAA) Panel of arbitrators. In addition he has been appointed by the State of New York Office of Court Administration as an individual eligible to receive appointments.

He has testified in more than eight hundred (800) and fifty (50) matters in New York State Supreme Court, Federal Bankruptcy Court, United States Tax Court (Samuel J. Lefrak vs. the Internal Revenue Service), New York Civil Court and various courts in the States of Connecticut, Missouri and New Jersey.

He has completed a seminar and passed the examination sponsored by the Appraisal Institute entitled Cases Studies in Partnership and Common Tenancy Valuation. In addition he has attended The Philip E. Heckerling Institute on Estate Planning's annual five day conference since 1998 in which valuation of partnership interests is always a topic.

As Chairman and Senior Member of Appraisers & Planners, Inc. Mr. Levy prepares, reviews and/or signs approximately 95% of the five hundred (500) appraisal reports that the firm produces on an annual basis. The appraisal reports primarily are of office buildings, apartment houses including rentals, cooperatives and condominiums and retail centers mostly in the Tri-State area of New York, New Jersey and Connecticut.

PROFESSIONAL AFFILIATIONS

American Arbitration Association (AAA) - Panel of Arbitrators
American Society of Appraisers - ASA
Appraisal Institute - MAI, SRA
New York State Society of Real Estate Appraisers
Real Estate Board of the City of New York
Royal Institute of Chartered Surveyors (MRICS)
Westchester County Board of Realtors, Inc.
Westchester County Society of Real Estate Appraisers, Inc. - Senior Member

EDUCATION

Graduate Studies (Real Estate) - New York University
Bachelor of Arts (Economics) - Rollins College

Appraisal Institute

- Basic Principles, Methods & Techniques (Course I)
- Real Estate Appraisal Principles (Course 1A1)
- Basic Valuation Procedures (Course 1A2)
- Capitalization Theory & Techniques, Part 1 (Course 1B1)
- Urban Properties (Course II)
- Techniques & Mathematics of Capitalization (Course VI)

Continuing Education Courses:

- National Uniform Standards of Professional Appraisal Practice Update Course
- Standards and Ethics for Professionals
- Business Practices and Ethics
- Inspection/Evaluation of Properties/Physical Condition
- Co-Op Valuation for Mortgage Financing
- Land Valuation and Purchase Price Decisions
- Appraisal Review - Income Properties
- Wall Street Securitization
- The Office Building
- Appraisal Practices for Litigation
- Eminent Domain and Condemnation Appraisal
- Attacking and Defending an Appraisal in Litigation Part I and Part II
- Government Impact on Real Estate and New York City Real Estate Trends

LICENSES

State of New York	- Real Estate Broker
	- Certified General Appraiser #46000005134
State of Connecticut	- Certified General Appraiser #0000372
State of Georgia	- Certified General Appraiser #241009
State of New Jersey	- Certified General Appraiser #01572
State of Maryland	- Certified General Appraiser #27593
Commonwealth of Pennsylvania	- General Appraiser #GA-001674
Commonwealth of Massachusetts	- Certified General Appraiser #101740

ADDENDA

Residential Rent Roll

Unit	No. of Rms	Rent	Lease Expires	Unit	No. of Rms	Rent	Lease Expires	Unit	No. of Rms	Rent	Lease Expires
1A	3.5	\$ 1,443.19	07/31/09	25A	4.5	\$ 983.37	07/31/09	49A	3.5	\$ 1,012.32	06/30/09
1B	3.0	1,500.00	Vacant	25B	4.5	1,046.39	07/31/10	49B	3.5	1,271.50	09/30/09
2A	3.5	1,144.62	03/31/09	26A	3.5	1,488.75	07/31/09	50A	4.5	1,878.09	01/31/10
2B	3.5	837.66	02/28/09	26B	3.5	720.60	11/30/08	50B	4.5	1,231.35	06/30/10
3A	4.5	1,781.01	04/30/09	27A	3.5	979.38	07/31/09	51A	4.5	877.25	03/31/10
3B	4.5	2,000.00	06/30/09	27B	3.5	1,236.00	07/31/09	51B	4.5	1,089.90	01/31/09
4A	3.5	859.46	06/30/09	28A	4.5	1,100.15	01/31/09	52A	3.5	1,572.14	09/30/09
4B	3.5	724.48	04/30/09	28B	4.5	2,060.00	08/31/09	52B	3.5	914.30	05/31/10
5A	3.5	1,367.44	01/31/09	29A	4.5	1,761.08	05/31/09	53A	3.5	1,395.91	05/31/09
5B	3.5	1,600.00	11/30/08	29B	4.5	869.17	01/31/09	53B	3.5	1,150.55	10/31/10
6A	3.0	1,456.53	06/30/09	30A	3.5	1,711.36	10/31/10	54A	3.0	854.73	02/28/10
6B	3.0	1,650.00	07/31/09	30B	3.5	1,545.00	06/30/09	54B	3.0	934.19	07/31/10
7A	3.5	1,469.42	08/31/09	31A	3.5	732.06	07/31/10	55A	3.5	1,550.00	Vacant
7B	3.5	1,500.00	05/31/09	31B	3.5	1,650.00	07/31/09	55B	3.5	1,317.46	10/31/09
8A	4.5	1,788.88	07/31/10	32A	4.5	1,189.22	08/31/10	56A	4.5	1,917.36	08/31/09
8B	4.5	1,156.71	05/31/09	32B	4.5	990.04	09/30/10	56B	4.5	2,050.00	07/31/09
9A	4.5	1,067.75	05/31/10	33A	3.0	1,545.00	06/30/09	57A	4.5	2,050.00	08/31/09
9B	4.5	840.73	09/30/09	33B	3.0	1,183.79	10/31/08	57B	4.5	1,950.00	09/30/09
10A	3.5	1,463.00	10/31/09	34A	3.5	724.36	11/30/08	58A	3.5	1,650.00	04/30/09
10B	3.5	1,506.01	10/31/09	34B	3.5	1,600.00	12/31/08	58B	3.5	1,013.24	01/31/10
11A	3.5	1,556.09	04/30/09	35A	3.5	1,166.47	01/31/09	59A	3.5	1,650.00	05/31/09
11B	3.5	1,565.60	08/31/09	35B	3.5	1,443.19	06/30/09	59B	3.5	1,545.00	05/31/09
12A	4.5	1,115.91	10/31/08	36A	4.5	2,123.04	07/31/09	60A	3.5	768.45	05/31/09
12B	4.5	879.28	03/31/10	36B	4.5	845.38	10/31/09	60B	3.5	839.29	12/31/09
13A	4.5	1,128.61	02/28/09	37A	3.0	884.97	05/31/10	61A	3.5	1,441.77	02/28/09
13B	4.5	931.47	02/28/09	37B	3.0	1,036.03	02/28/09	61B	3.5	1,311.43	02/28/10
14A	3.5	1,545.00	06/30/09	38A	3.5	792.79	01/31/10	62A	3.5	1,550.00	06/30/09
14B	3.5	694.88	11/30/09	38B	3.5	725.18	10/31/09	62B	3.5	1,739.52	01/31/10
15A	3.0	1,048.50	10/31/09	39A	3.5	1,259.23	07/31/09	63A	4.5	2,000.00	07/31/09
15B	3.0	836.05	02/28/10	39B	3.5	1,443.19	05/31/09	63B	4.5	2,000.00	05/31/09
16A	3.5	936.45	07/31/09	40A	4.5	2,000.00	05/31/09	64A	3.0	1,497.88	05/31/10
16B	3.5	1,486.70	04/30/09	40B	4.5	1,950.00	08/31/10	64B	3.0	1,443.43	06/30/09
17A	3.5	1,094.51	08/31/10	41A	4.5	957.54	10/31/09	65A	4.5	1,988.44	04/30/09
17B	3.5	993.44	11/30/08	41B	4.5	1,956.12	06/30/09	65B	4.5	1,897.58	06/30/10
18A	4.5	1,888.46	07/31/09	42A	3.5	1,080.02	05/31/09	66A	3.5	1,443.43	02/28/08
18B	4.5	900.80	10/31/08	42B	3.5	1,008.91	05/31/10	66B	3.5	1,650.00	07/31/09
19A	3.0	1,600.00	11/30/08	43A	3.5	1,650.00	08/30/09	67A	3.5	758.33	06/30/09
19B	3.0	754.06	06/30/10	43B	3.5	1,481.82	06/30/09	67B	3.5	1,321.44	07/31/09
20A	3.5	1,241.85	05/31/09	44A	3.5	1,550.00	11/30/09	68A	3.0	1,650.00	04/30/09
20B	3.5	1,650.00	04/30/09	44B	3.5	1,648.00	08/31/09	68B	3.0	783.32	06/30/09
21A	4.5	1,736.79	05/31/09	45A	3.5	756.83	01/31/09	69A	4.5	2,000.00	10/31/09
21B	4.5	844.27	10/31/09	45B	3.5	1,586.25	07/31/10	69B	4.5	2,000.00	08/31/09
22A	3.5	1,648.00	07/31/09	46A	4.5	968.12	11/30/09	70A	3.5	1,018.90	06/30/10
22B	3.5	1,650.00	08/31/09	46B	4.5	1,900.00	07/31/10	70B	3.5	851.31	11/30/08
23A	3.5	1,147.31	02/28/10	47A	4.5	1,500.00	01/31/09	71A	3.5	975.78	05/31/10
23B	3.5	1,232.60	07/31/09	47B	4.5	2,033.73	10/31/09	71B	3.5	1,443.25	05/31/09
24A	3.5	691.21	10/31/09	48A	3.5	1,707.57	09/30/10	72A	4.5	2,000.00	10/31/09
24B	3.5	1,037.15	01/31/09	48B	3.5	1,592.52	12/31/08	72B	4.5	2,050.00	08/31/09
Sub Total		\$ 60,991.88		Sub Total		\$ 64,162.62		Sub Total		\$ 194,453.34	

Grand Total \$ 69,298.84